

Rakuten stumbles (again); vRAN isn't the problem, but it's not a magic bullet if the basics aren't right; implications for Dish & other new entrants

By [Chris Hoare](#) | December 8, 2019

Rakuten is the highest profile virtualised Radio Access Network project in the world, and CEO Mikitani's MWC tub-thumping lifted vRAN to the top of the 'hot topic' list for 2019. Speakers at our recent 5G conference (key takeaways from the telecom team [HERE](#) and the tech team [HERE](#)), and plenty of other news flow, have indicated that virtualisation of the core and the RAN is the way forward for lower unit costs and more flexible, secure, and scalable networking.

We don't see this as a change of trend – unit costs have been falling relentlessly for several decades – but virtualisation is one of the key drivers for continued declines over the next decade. Virtualisation has a large and growing band of global enthusiasts too, including heavyweight operators, and an increasingly wide ecosystem.

Precisely because Rakuten put vRAN front and centre in its extravagant pitch to MWC earlier this year, it's natural to suspect that vRAN is at the root of its disappointing trajectory since then. But, just as vRAN isn't central to Rakuten's story, in our view (see [HERE](#)), it also isn't why the launch is late and impact being downgraded. This diagnosis matters for the Japanese market, but it also matters for vRAN globally.

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